

# Michigan Gaming Control Board Overview



## MISSION STATEMENT:

*"The Michigan Gaming Control Board shall ensure the conduct of fair and honest gaming to protect the interests of the citizens of the State of Michigan."*

## VISION STATEMENT:

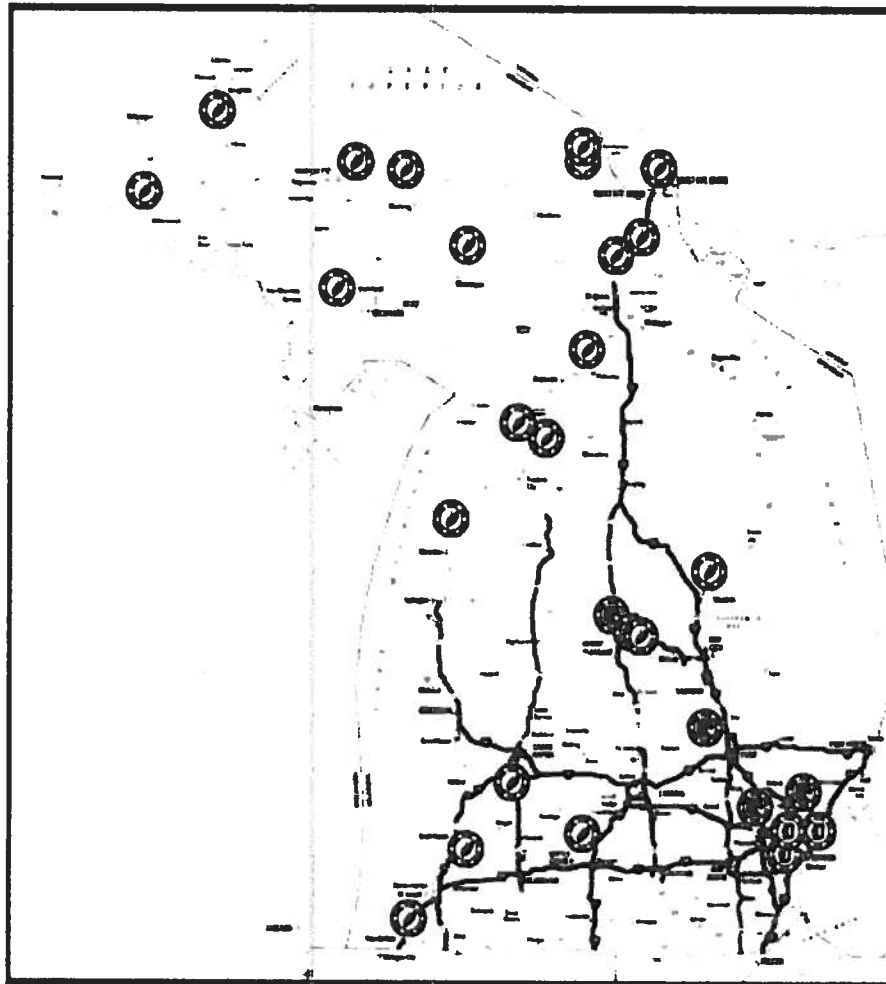
*"To be the premier gaming regulatory agency through the effective application of casino gaming and horse racing laws and regulations in a reasonable and efficient manner."*

# Responsibilities



- Commercial Gaming (Detroit Casinos):
  - Licensing
  - Enforcement
  - Lab
  - Disassociated Persons List (DPL) Program
- Oversight of tribal gaming operations
- Licensing and regulation of live horse racing

# Michigan's Gaming Facilities



## TRIBAL CASINOS

Bay Mills Resort & Casino  
 Pottawamie Casino  
 Four Winds Casino  
 Four Winds Casino Hartford  
 Gun Lake Casino  
 Island Resort and Casino  
 Kewadin Casino  
 Kewadin Casino Christmas  
 Kewadin Casino Huron  
 Kewadin Casino Mackinac  
 Kewadin Shores Casino  
 Kings Club Casino  
 Lac Vieux Desert Casino  
 Leelanau Sands Casino  
 Little River Casino  
 Odawa Casino  
 Odawa Starco Casino  
 Odawa Starco Casino II  
 Saginaw Eagles Landing Casino  
 Seaway Eagle Casino  
 Seaway Eagle Star Palace Casino  
 Turtle Creek Casino



## DETROIT CASINOS

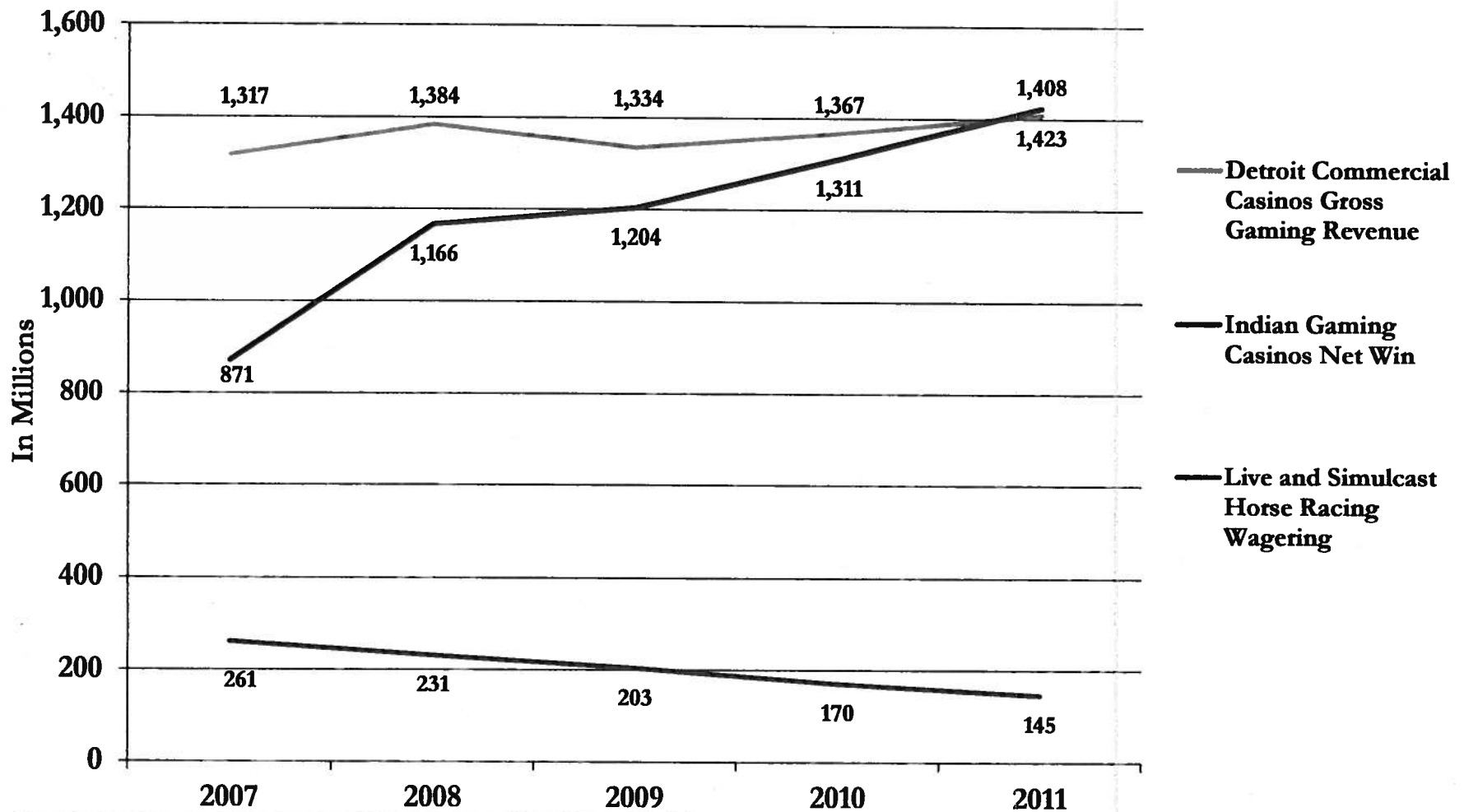
Greektown Casino  
 MGM Grand Detroit Casino  
 MotorCity Casino



## HORSE RACE TRACKS

Hazel Park Harness Raceway  
 Mt. Pleasant Meadows  
 Northville Downs  
 Sports Creek Raceway

# Gross Revenue 2007-2011



# Licensing



- Investigates the eligibility and suitability of applicants (casinos, suppliers, vendors, and their employees) for a gaming license
- Conducts periodic investigations for license renewals
- Makes approval or denial recommendations for licensure

# Enforcement



- Audits the financial and operational records of the three Detroit casinos
- Monitors, inspects, and investigates gaming operations twenty-four hours per day, seven days per week
- Investigates patron complaints
- Gaming Lab tests gaming devices for compliance with the Act and Rules
- Issue fines for non-compliance

# Gaming Lab



- Plays a critical role in the mission of MGCB by ensuring the integrity of casino games and accurate reporting of gaming revenue in Michigan by:
  - Testing and analyzing all gaming devices and equipment
  - Reviewing internal control changes
  - Assisting in investigations
  - Keeping up with changing gaming technologies

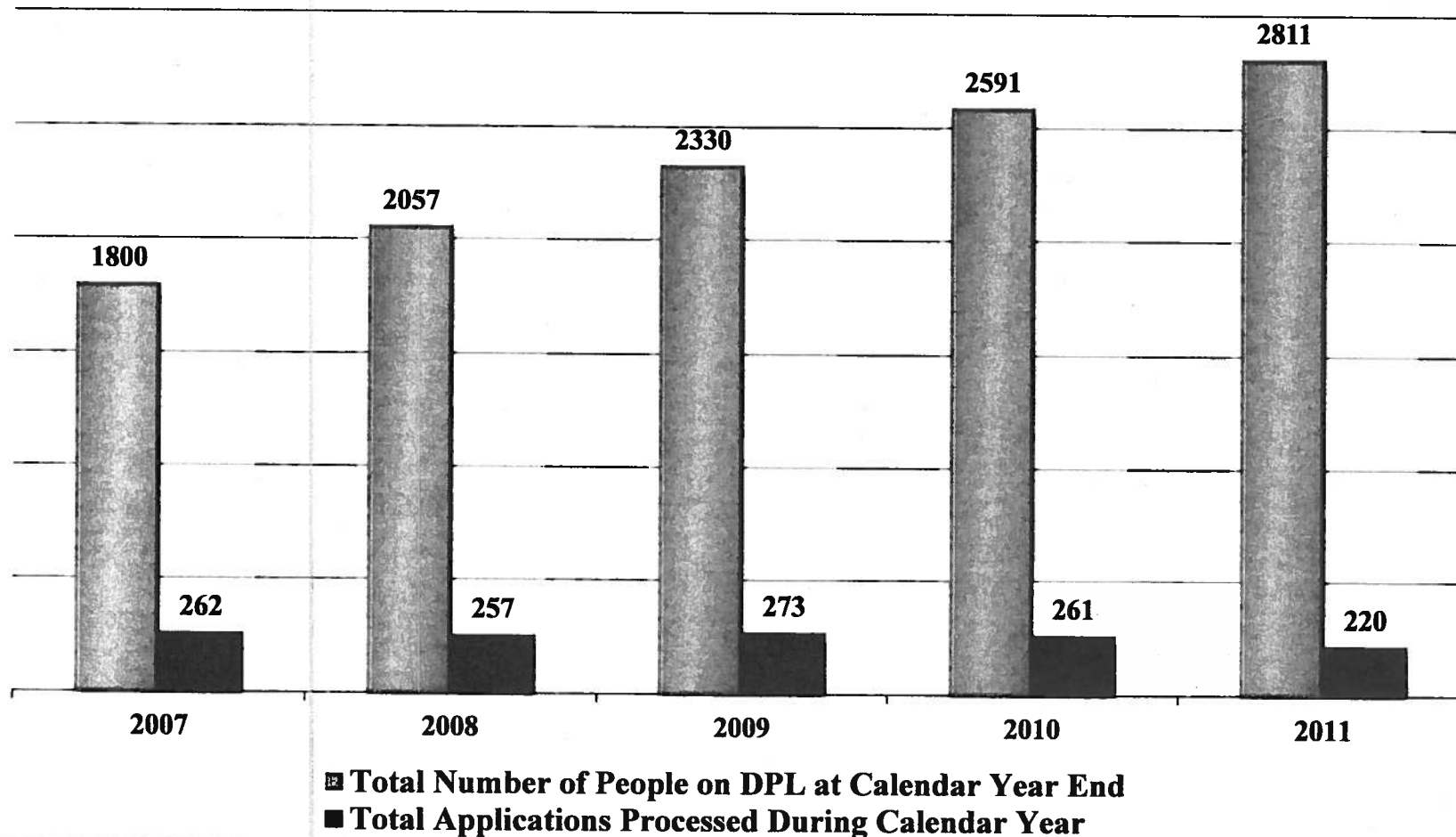
# DPL Provides Assistance to Problem Gamblers



- Disassociated Persons List (DPL) - Required by the Michigan Gaming Control and Revenue Act to help those who believe they have a gambling problem:
  - ❑ Participation in the DPL program is voluntary
  - ❑ An individual who has his or her name placed on the list is on the list for life
  - ❑ An individual whose name is on the DPL and who enters a casino is guilty of trespassing punishable by imprisonment for not more than 1 year, subject to a fine of not more than \$1,000, or both
  - ❑ The Diversion Program offers treatment to problem gamblers who are first time offenders of the DPL



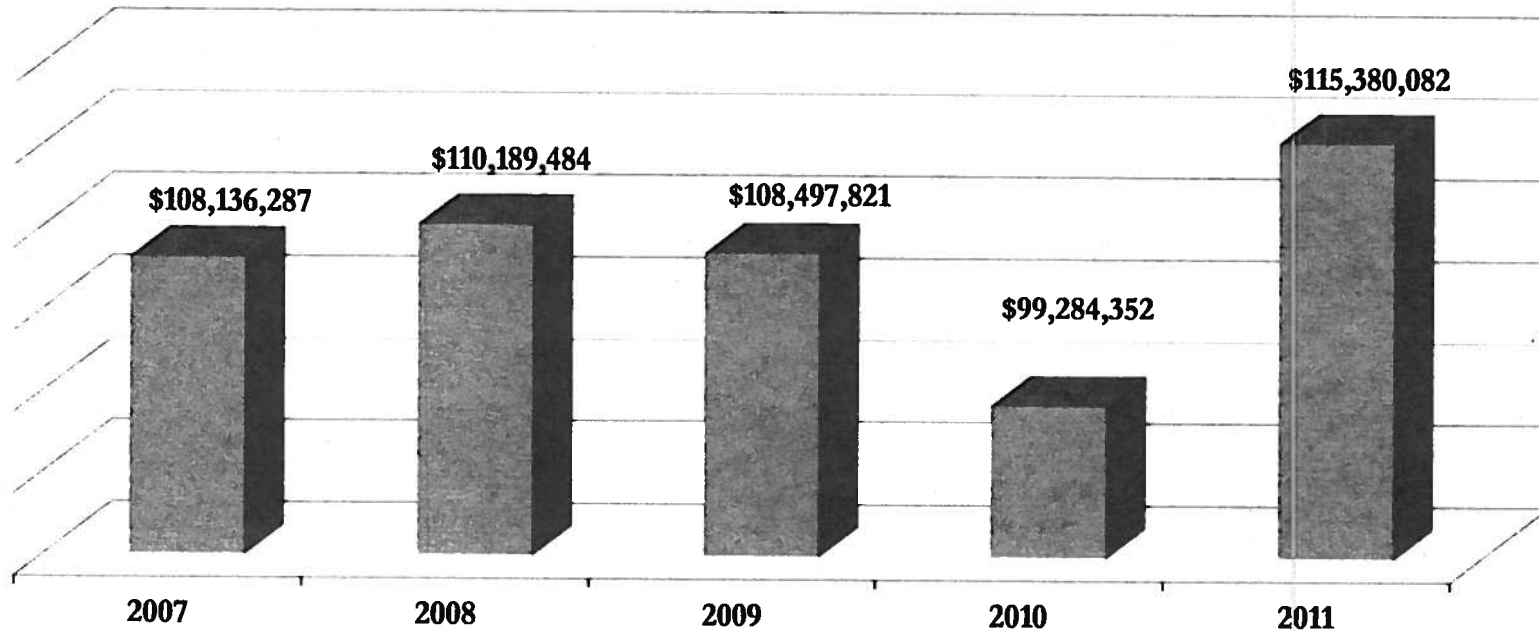
# Disassociated Persons List (DPL)



# State Wagering Tax Payments



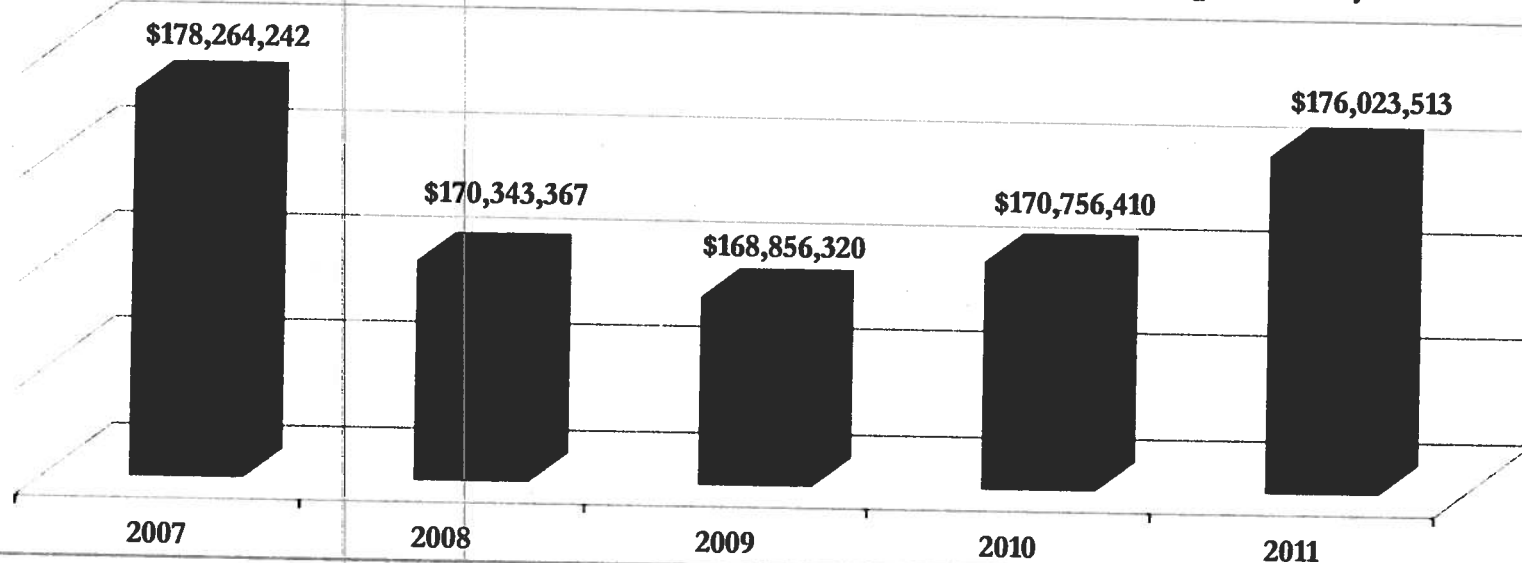
- The Act requires the Detroit casinos to pay 8.1% of Adjusted Gross Revenue (AGR).
- Below amounts are reported by calendar year.
- Decreased 2010 state wagering tax payment due to the certification of Greektown Casino as a permanent facility in March 2010 which entitled them to a tax adjustment retroactive to February 15, 2009. Actual tax liability for 2010 was \$111,612,256.



# City of Detroit Wagering Tax Payments



- The Act requires the Detroit casinos to pay 10.9% of AGR
- Development agreements exist between each of the Detroit casinos and the City of Detroit:
  - An additional 1% of AGR is required
  - Once AGR reaches \$400 million in a calendar year, another 1% is required
- Amounts below were provided by the Detroit casinos and are reported by calendar year



# Detroit Casinos 2010 Effective Tax Rate



State Tax Rate	8.10%
City Tax Rate	12.39%
City (Municipal Services Fee)	1.25%
Annual Assessment Fee	2.25%
<b>Effective Tax Rate</b>	<b>23.99%</b>

- The Gaming and Revenue Control Act as amended requires 8.1% and 10.9% of adjusted gross revenues be paid to the State and to the City of Detroit, respectively
- The Detroit casino development agreements require the Detroit casinos pay an additional 1% on adjusted gross revenue plus an additional 1% on adjusted gross revenue exceeding \$400 million in a calendar year
- The Municipal Services Fee rate is the greater of \$4 million annually or 1.25% of adjusted gross revenues
- The Annual Assessment Fee is shown as a percentage of assessments collected to adjusted gross revenue

# Tribal Gaming

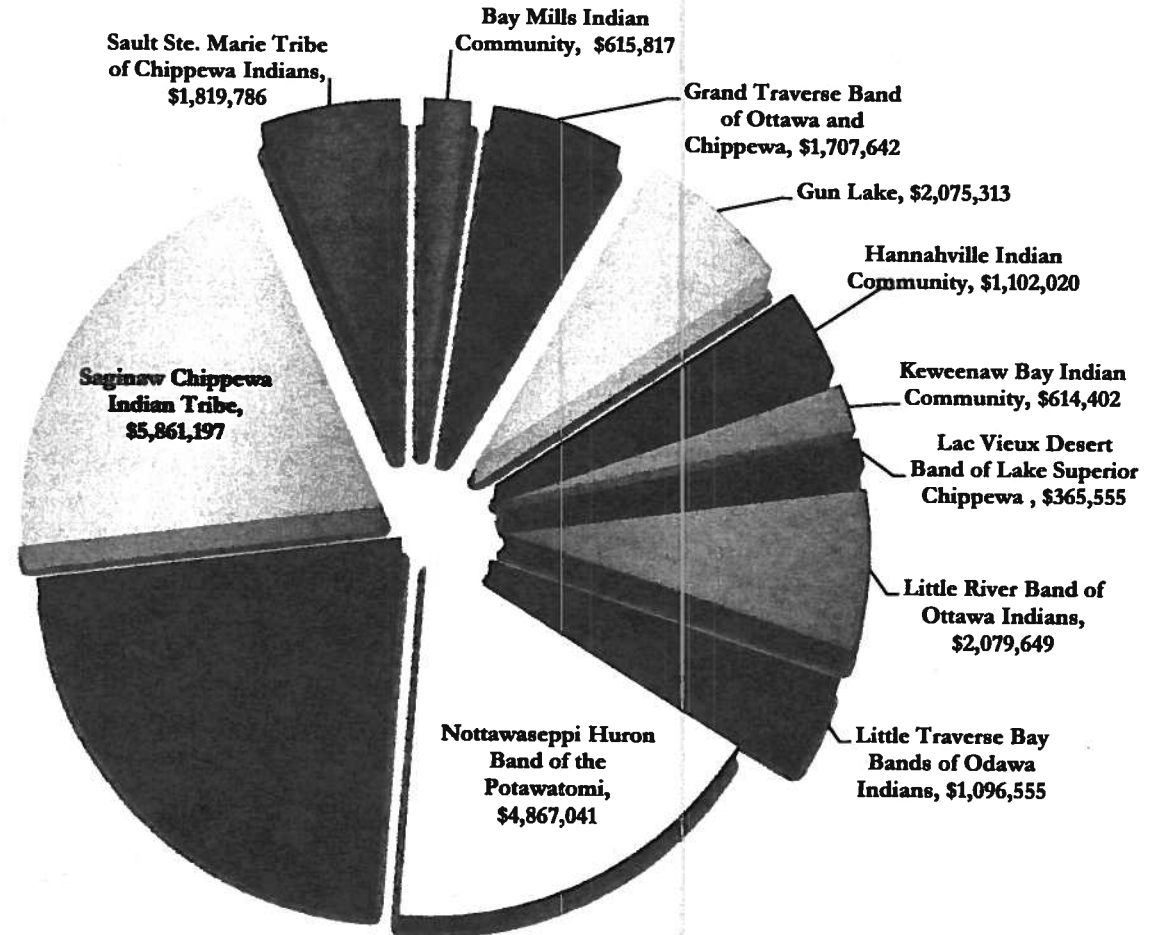


- Enforce compliance with the terms of the gaming compacts between the State and the Indian tribes
- Verify the “net win” on electronic games of chance (e.g. slot machines) was computed correctly
- Ensure 2% payments are paid to local units of government
- Ensure payments to Michigan Economic Development Corporation (MEDC) or Michigan Strategic Fund (MSF) are paid
  - 6 of the 12 tribes pay percentages of net win ranging from 4-8%
- 12 federally recognized tribes are operating a total of 22 tribal casinos

# Tribal 2% Payments to Local Units of Government for 2011



- 2% Payments for 2011 total \$28,437,010.
- All tribes are required to pay 2% of their net win from electronic games of chance to local units of government.
- Amounts are reported by the tribes' fiscal year.



# Horse Racing



- Enforcement - Stewards:

- Monitor and judge all live racing to enforce racing statutes and rules
- Hold hearings and issue rulings to enforce compliance with laws and rules

- Licensing:

- Accept and process occupational license applications for anyone requesting approval to participate in pari-mutuel horse racing in Michigan
- Collect and record occupational license fees and fines assessed as a result of steward's rulings

- Veterinarians:

- Monitor and safeguard the physical well-being of participating race horses
- Implement vaccination protocols to protect the race horses and prevent the spread of infectious equine diseases

# Executive Order 2012-7



- Creates a Criminal Investigations Subunit within the MGCB
- Designates MGCB as a criminal justice agency and provides for full access to criminal justice information and criminal justice information systems.
- Purpose is to investigate criminal activity relating to any matter under the jurisdiction and authority of MGCB or the Executive Director of MGCB.



# Illegal Gaming Task Force



- Task Force consists of:
  - MGCB Regulatory Investigations Support Section
  - Michigan State Police Gaming Section
  - Attorney General Alcohol and Gambling Enforcement Division
  - Other state and federal law enforcement and regulatory agencies
- Cyber cafes – cease and desist, status of cases

